

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: CAPITAL CURRENCY, INC.
5567 ½ N. Azusa Avenue
Azusa, CA 91702

CITATIONS
AND
DESIST AND REFRAIN ORDER
(Pursuant to California Financial Code section 23058)

The California Corporations Commissioner finds that:

1. Capital Currency, Inc. hereinafter (“Licensee”) is, and was at all relevant times herein a corporation authorized to conduct business in California with its principal place of business located at 5567 ½ N. Azusa Avenue, Azusa, CA 91702 (“Location 1”). Licensee has additional licensed business locations at 20006 E. Arrow Hwy., Covina, CA 91724 (“Location 2) and 10 E. Huntington Drive, Suite E, Arcadia, CA 91006 (“Location 3”).

2. On or about December 31, 2004, Licensee obtained licenses from the California Corporations Commissioner (“Commissioner”) to engage in the business of deferred deposit transactions at Locations 1, 2 and 3.

3. An examination of Licensee conducted by the Commissioner on December 3, 2007 disclosed the following violations at Locations 1, 2 and 3.

Citation A- Location 2. Licensee failed to provide proof that the notice with required disclosures was provided to customers prior to entering into a deferred deposit transaction in violation of Financial Code section 23035 (c). Licensee was informed of this violation during the previous regulatory examination that was conducted on July 24, 2006 at Location 1.

Citation B - Location 3. Licensee failed to provide proof that the notice with required disclosures was provided to customers prior to entering into a deferred deposit transaction in violation of Financial Code section 23035 (c). Licensee was informed of this violation during the previous regulatory examination that was conducted on July 24, 2006 at Location 1.

Citation C – Location 2. Licensee failed to post notice required in conspicuous view of the public in violation of Financial Code sections 23019 and 23035 (d).

Citation D – Location 3. Licensee failed to post notice required in conspicuous view of the public in violation of Financial Code sections 23019 and 23035 (d).

Citation E – Locations 1, 2 and 3. Licensee failed to maintain a net worth of \$25,000 as of September 30, 2007 in violation of Financial Code section 23007.

Pursuant to California Financial Code section 23058, Licensee is hereby ordered to pay to the Commissioner an administrative penalty for Locations 1, 2 and 3 in the total amount \$12,500 for the following Citations within 30 days from the date of these Citations.

Citation A. \$2,500

Citation B. \$2,500

Citation C. \$2,500

Citation D. \$2,500

Citation E. \$2,500

Pursuant to California Financial Code section 23050, Licensee is hereby ordered to desist and refrain from engaging in the business of deferred deposit transactions in the State of California in violation of the above referenced sections.

These Citations and Desist and Refrain Order are necessary, in the public interest, for the protection of consumers and is consistent with the purposes, policies and provisions of the California Deferred Deposit Transaction Law. These Citations and Desist and Refrain Order shall remain in full force and effect until further order of the Commissioner.

These Citations are separate from any further action that may include other administrative, civil or criminal remedies that the Commissioner may take based upon the violations of law cited herein or otherwise.

California Financial Code section 23058 provides, in relevant part:

(a) If, upon inspection, examination or investigation, based upon a complaint or otherwise, the department has cause to believe that a person is engaged in the business of deferred deposit transactions without a license, . . . the department may issue a citation to that person in writing, describing

with particularity the basis of the citation. Each citation may contain . . . an assessment of an administrative penalty not to exceed two thousand five hundred dollars (\$2,500)

. . .

(c) If within 30 days from the receipt of the citation of the person cited fails to notify the department that the person intends to request a hearing as described in subdivision (d), the citation shall be deemed final.

(d) Any hearing held under this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code

California Financial Code section 23050 provides:

Whenever, in the opinion of the commissioner, any person is engaged in the business of deferred deposit transactions, as defined in this division, without a license from the commissioner, or any licensee is violating any provision of this division, the commissioner may order that person or licensee to desist and to refrain from engaging in the business or further violating this division. If, within 30 days, after the order is served, a written request for a hearing is filed and no hearing is held within 30 days thereafter, the order is rescinded.

The request for a hearing may be made by delivering or mailing a written request to:

Steven Thompson
Special Administrator
California Deferred Deposit Transaction Law
Department of Corporations
320 West 4th Street, Ste. 750
Los Angeles, California 90013-2344
(213) 576-7610

Dated: May 12, 2008
Los Angeles, CA

PRESTON DUFAUCHARD
California Corporations Commissioner

By _____
STEVEN C. THOMPSON
Special Administrator
California Deferred Deposit Transaction Law